

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2000-0087-C - ORDER NO. 2000-0525

JUNE 26, 2000

IN RE: Joint Application of International Exchange)	ORDER
Communications, Incorporated d/b/a IE COM)	APPROVING ASSET
and NOSVA Limited Partnership For)	PURCHASE
Approval of An Asset Purchase Agreement.)	AGREEMENT

This matter comes before the Public Service Commission of South Carolina (the "Commission") on the joint application for approval of an asset purchase agreement by International Exchange Communications, Incorporated ("IE COM") and NOSVA Limited Partnership ("NOSVA"). More specifically, the asset purchase agreement involves the purchase by IE COM of the international operating division of NOSVA which markets under the names "International Plus" and "O11 Communications". IE COM proposes to acquire the customer accounts ("customer accounts") and related assets of NOSVA's international division ("the Assets") and to begin to provide long distance service to those customers of NOSVA under the Certificate of Public Convenience and Necessity, or other operating authority, previously issued to IE COM.

Pursuant to the Commission's Executive Director's instructions, the two Applicants published a Notice of Filing in newspapers of general circulation one time. The Companies filed affidavits of publication. The Notice of Filing informed the public on how it could participate in proceedings concerning this matter before the Commission. No Protests or Petitions to Intervene were received. The Companies therefore request

expedited review of the matter, and move that the Commission designate its regular weekly meeting as the “due hearing” called for in the requisite statutory language. The Companies have also submitted verified testimony to establish its case. Accordingly, we grant expedited review, and determine that our regular weekly meeting shall constitute the “due hearing.”

The Companies have submitted the verified testimony of Sandra Grey, Chief Financial Officer/Vice President of Finance for IE COM. The Application requests authority for IE COM to purchase NOSVA’s customer accounts and related assets of NOSVA’s international division by IE COM. Both NOSVA and IE COM have received authority to provide telecommunications services in South Carolina. IE COM was granted authority to provide its telecommunications services in South Carolina by the Commission on July 9, 1999, in Docket No. 98-668-C. NOSVA was granted authority to provide its telecommunications services in South Carolina on October 14, 1994, in Docket No. 94-277-C.

According to the record, IE COM is a Delaware corporation which is a wholly-owned subsidiary of Pacific Gateway Exchange, Inc., a Delaware corporation which is publicly traded on the NASDAQ National Market. NOSVA is a privately-held Maryland partnership. The record reveals the asset purchase agreement entails NOSVA selling, transferring, and assigning to IE COM all of NOSVA’s right, title, and interest in and to NOSVA’s international division and IE COM paying to NOSVA the purchase consideration set forth in the Asset Purchase Agreement. The assets to be purchased by IE COM include the Customer Accounts.

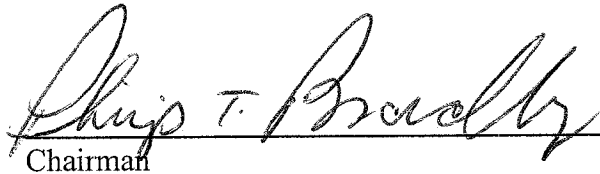
The record also reveals that upon consummation of the proposed asset purchase agreement, IE COM intends to notify all current end-users of NOSVA of the Acquisition and that no customers of NOSVA will experience any change in rates due to the transaction by bill insert. In addition, the record reveals to the extent that any present NOSVA rate products are eventually changed or are not presently included in IE COM's tariffs, IE COM will amend its tariffs to include such rates. Finally, it is the position of the joint applicants, that the transaction should not cause any inconvenience or confusion to the customers of either NOSVA or IE COM; the record states that in no event shall the customers of either NOSVA or IE COM incur any increase in rates presently enjoyed by them.

According to the record, the public interest will be served by the proposed transaction between IE COM and NOSVA. First, the asset purchase agreement will enhance the operating efficiencies, including market efficiencies, of IE COM and allow IE COM to provide a streamlined level of service for all involved customers by creating a single, larger operation to provide long distance service to the customers in South Carolina. Second, the approval of the transaction will result in cost savings and will appeal to present and potential customers because of IE COM's larger size and greater variety of service offerings. Finally, the record reveals the proposed asset purchase agreement will result in IE COM possessing a larger customer base as the result of the Acquisition, therefore making IE COM a stronger carrier to provide high quality service to all customers presently served by both IE COM and NOSVA. It is the position of the joint applicants that the asset purchase agreement is in the public interest.

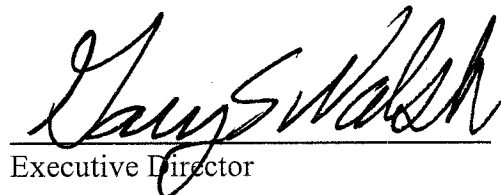
We have examined the record in this case and agree that the asset purchase agreement between NOSVA and IE COM is in the public interest, and should be approved. The asset purchase agreement will permit IE COM to purchase NOSVA's customer accounts and related assets of NOSVA's international division. The proposed asset purchase agreement is therefore approved as filed.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)